That which Serves us Well

"LOOKING at the present and the future, as a practical matter, we are confronted with the question as to how much more the public economic interest will stand the invasion of the welfare of the railroads which they are up against from forces and difficulties not of their own creating—and not within the scope of their own unaided powers to combat. I refer especially to new competitions that are undermining the hard-earned position of the railroads not only with the aid of natural economic forces but also through the aid of government policies which, positively or negatively, tend to give these competitors undue advantages over the railroads.

"It goes without saying that the railroads have no right, nor claim any right so far as I have been able to discern, to complain at legitimate competition in the field of transportation, for we all recognize that the public is entitled to the best possible transportation obtainable at the lowest practical cost. But equally does it go without saying that this cannot fairly be brought about by using, or by failing to use, the taxing powers of government to enable com-

petitive methods of transportation to do things they could not otherwise do as unaided private enterprises. This is particularly so when such action impairs the invested rights held in good faith by great masses of our people in established enterprises that are serving the whole public well.

"The railroads constitute the greatest single industry in America to which the investments and the wage earning abilities of millions of our citizens are entrusted. If this great public trust is to be protected the railroads must be able to earn more than just enough to pay interest on their bonds and a tolerable return to their stockholders. They must be enabled also to earn a surplus in good years to set aside against periods of depression and at the same time continue to carry out improvements from which the public benefits but which do not add to earning capacity.

"That which serves us well we sometimes come to take too much for granted. The railroads have served this country so superlatively well that we are prone in our public affairs to

overlook our dependence upon them and our obligations to them. The past, present and future progress of the United States is inseparably bound up with the welfare of the railroads. In neglecting just consideration for them we are even more negleetful of the best economic interests of the public. These public interests are paramount and they are nowhere more greatly liable to harm than through adverse treatment of the railroads."

From a recent address by Rome C. Stephenson, President, American Bankers' Association.